

BUDGET LETTER

	NUMBER: 02-35
SUBJECT: CHECKLIST OF INFORMATION TO INCLUDE IN BUDGET GALLEY	DATE ISSUED: October 15, 2002
REFERENCES:	SUPERSEDES: BL 01-37

TO: Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

The following information is provided as a checklist to help departments prepare the 2003-04 Governor's Budget galley.

Departments are to post all changes to the "**Control Proof Copy**" of the galleys. It is important to update and return the "**Control Proof Copy**", which has been previously reviewed and verified, to the Department of Finance (Finance) analyst.

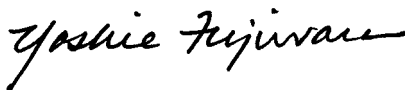
- **Baseline Adjustments.** Include all approved baseline adjustments. Back out 2002-03 one-time costs/limited-term positions in 2003-04.
- **Financial Legislation.** All approved costs related to 2002 chaptered legislation, including bills with appropriations, must be incorporated into the galley. All revenue impacts from 2002 legislation, including transfers, must be reflected on Fund Condition Statements and Schedule 10Rs.
- **Deficiencies.** All current year deficiencies must be included in the galley if a 30-day notification letter or an emergency letter (pursuant to Section 27.00, Item 9840, or other authority) has been sent to the Legislature by December 10, 2002. The only exceptions to this deadline will be for those issues pending final decision.
- **Section 28.00 and 28.50 Adjustments.** All adjustments must be included in the galley if a 30-day notification (or waiver request of the 30-day notification) has been sent to the Legislature by December 10, 2002. The only exceptions to this deadline will be for those issues pending final decision.
- **General Administrative Costs (Pro Rata).** The assessment amounts will be made available on the Internet in October 2002. For further instructions, refer to future Budget Letter.
- **Statewide Cost Allocation Plan (SWCAP).** The cost allocation assessments were made available on the Internet in October 2002. For further instructions, refer to a future Budget Letter.

NOTE: The website for the SWCAP and Pro Rata information is:
<http://www.dof.ca.gov/fisa/proswcap/proswcap.htm>

- **Employee Compensation Adjustments.** Instructions for employee compensation adjustments will be provided in a future Budget Letter.

- **Section 31.60 and 31.70.** Instructions for these two control sections will be provided in a separate Budget Letter.
- **Payment of Government Claims, Department of Justice Settlements and Judgments.** All related expenditures must be included in the respective Fund Condition Statements. In addition, specified expenditures will need to be reflected in the Reconciliation with Appropriations as "Transfer to Legislative Claims". Specific instructions and information will be provided in a future Budget Letter. These adjustments have been pre-posted on departmental 2002-03 Schedule 10s.
- **State-Mandated Local Programs.** Your Department of Finance analyst will contact you date with additional information regarding the treatment of both previously approved and new mandates in the budget year.
- **Lease Revenue Adjustments.** Planning estimate adjustments are required only if lease rental payments change. Use Planning Estimate line 0750 for these adjustments. The department's Finance Analyst will notify departments of changes, if necessary.
- **Approved BCPs.** Include any approved BCPs (positive or negative) into budget galley prior to the paging process. Include the appropriate positions/personnel years adjustments.
- **Health Insurance Portability and Accountability (HIPAA).** Further instructions for HIPAA adjustments (Item 9909) will be provided to affected departments.
- **Control Section 3.60 Adjustments.** Control Section 3.60 authorizes Finance to adjust any Budget Act appropriation, as needed, to reflect retirement rate changes for the employer's retirement contribution to the California Public Employees' Retirement System. Departments are to submit completed worksheets to Finance budget analysts by Monday, October 21, 2002, per Budget Letter 02-19.
- **Control Section 3.90.** Control Section 3.90 authorizes the Director of Finance to reduce State Operations appropriations by up to 5 percent. Finance staff will provide further instructions to departments.
- **Additional Guidelines.** A "budget checks" guidelines document is available in BAG to assist Finance budget analysts in reviewing various budget documents. Some parts of this document may be helpful to departments. The document is available on the Finance Budget Checks Guidelines website at: <http://www.dof.ca.gov/fisa/bag/budcks.htm>

If you have any questions, please contact your Finance Budget Analyst. For technical assistance on the budget galley, contact Lajunta Inman or Teresa Bierer at (916) 322-5540 or CALNET 492-5540.



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Upcoming Budget Letters

- 2003-04 General Administrative Costs (Pro Rata and SWCAP)
- Control Sections 31.60 and 31.70
- Employee Compensation Adjustments
- Submission of Budget Materials to the Legislative and the Legislature Analyst's Office